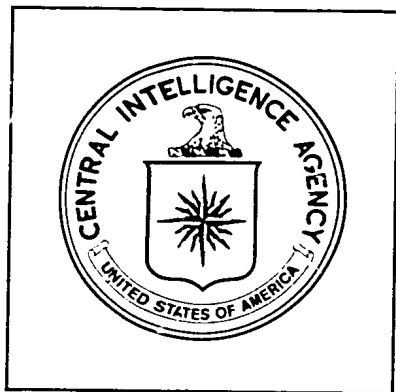


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LATIN AMERICAN TRENDS

This publication is prepared for regional specialists in the Washington community by the Western Hemisphere Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Chile: The Church And Human Rights

There are growing indications that the Catholic church in Chile is taking a stronger stand on human rights issues. Recent statements by church leaders suggest that they are concerned over the military government's suspected complicity in the reported deaths and disappearances of Chilean extremists, accounts of which surfaced in the South American press in mid-July and subsequently received wide publicity.

The bishop of Santiago celebrated a mass last week for the families of 119 persons, mostly members of the Movement of the Revolutionary Left (MIR), who allegedly were killed or wounded by government forces, or have been reported missing abroad under mysterious circumstances. The mass drew an overflow crowd and the bishop's sharp words about the need for Chileans to overcome "fear and insecurity" left no doubt among his listeners that he was rapping the junta's handling of the matter.

The Interdenominational Committee for Peace in Santiago believes that stories of leftist deaths in clashes in Argentina were circulated by security forces concerned with accounting for the disappearances, especially in view of a then impending visit of the UN Human Rights investigating mission, which has since been cancelled. The committee claims that the facts support its thesis that the 119 individuals had been detained by the military government and died in custody, and that the bodies were disposed of in Chile. Although the evidence is still circumstantial, accounts of the killings in Argentina could be a cover for secret executions by Chilean intelligence and security agents. Chile's controlled newspapers claimed that a number of Chilean extremists were killed in gun battles with Argentine police, and that others were

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killed in a purge by the MIR, but no proof has been offered by either country. Moreover, there is a strong possibility that right-wing Argentines under the control of former presidential adviser Lopez Rega collaborated with Chilean intelligence forces to plant false reports on the clashes.

When these reports first began gaining international attention, the peace committee filed a request with the Santiago appeals court to investigate the alleged disappearances, but the court refused and the Supreme Court upheld the decision. Foreign Ministry sources have since stated that an investigation is under way, but the lack of official information is encouraging a belief that the regime is engaged in a cover-up.

Meanwhile, in a meeting with Cardinal Raul Silva several weeks ago, President Pinochet pledged that the government would look into the case. Church sources, however, claim that the Cardinal's entreaty did not make much of an impact on Pinochet. Shortly after the meeting, Cardinal Silva gave the first hint that the church was losing patience with the government when he said he had "told the highest authorities of my country" that without unity Chile could not have prosperity, peace, or justice. He then appealed for a crusade for mutual respect and tolerance.

In a recent press statement, the Cardinal said he had no objection to publication of the peace committee's findings on the missing extremists, thereby implicitly encouraging its probe. The US Embassy assumes that Cardinal Silva also authorized or at least was aware of the mass offered last week for the families of the missing persons. The church's views were echoed by the Papal Nuncio, who expressed shock and the "disquiet of ambassadors accredited in Santiago" over the fate of the missing Chileans.

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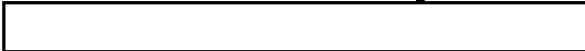
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While the church is not likely to engage in open polemics with the government, its spokesmen will unquestionably be more vocal in airing their misgivings about the government's conduct in dealing with human rights problems. Attention will probably be focused on two principal areas:

- ...The apparent failure of officials to explain satisfactorily the disappearance of persons presumably detained by security forces.
- ...Continued indications that the regime is not living up to promises that it would abide by new national security laws spelling out restrictions against illegal detention and torture.

25X1 Unless the Pinochet government takes some remedial action, the church will probably find itself on common ground with those in the opposition parties and labor who are becoming more critical of the regime.



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Colombia: Foreign Banks And The Investment Climate

All foreign banks operating in Colombia--with one notable exception--are apparently prepared to comply with a government program of reducing foreign ownership in banks to 49 percent or less by June 30, 1978

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The exception is First National City Bank of New York, which maintains the largest foreign-owned banking operation in the country. Citibank has all but rejected the "Colombianization" policy, but has indicated an interest in exploring other ownership formulas. The government, while very unlikely to make separate policy for Citibank, could probably be persuaded to relax the announced timetable.

Officials of the Ministry of Economic Development may fear that the remaining foreign banks--including Bank of America, the other US-owned bank in Colombia--will see their treatment as the first phase of a gradual takeover of other foreign businesses. If these banks begin advising their clients that the investment climate in Colombia is deteriorating, and if the Colombian congress should learn that such advice is being given, there is a remote possibility that the nationalistic legislators could turn their fears into a self-fulfilling prophecy.

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Uruguay: Possible Showdown Over Economic Policymaking

Efforts by politically ambitious generals to make economic policy decisions have provoked Economy Minister Vegh into offering his resignation. This is the latest in a series of clashes between Vegh and General Gregorio Alvarez, Commander of the Fourth Army, who is now backed by General Abdon Raimundez, Vice President of the Bank of the Republic.

Although the military high command has acceded to Vegh's austerity policies in the past, several generals apparently regard the civilian minister as too powerful and not responsive to their directives. There are indications that opposition to Vegh is growing because of his close ties to international lending institutions and multinational corporations.

The current confrontation between Vegh and the military was triggered by the armed forces' attempt last week to cancel the signing of a \$110 million loan Vegh had negotiated with a consortium of foreign banks to be secured by Uruguay's gold reserves. President Bordaberry has refused to accept Vegh's resignation, but has not responded to his request for authority to implement his program without interference. In Vegh's previous disputes with the military he has been supported by Bordaberry, but both sides have eventually compromised their view to avoid a major political crisis.

If Vegh leaves the cabinet, Bordaberry's prestige will suffer another blow. He has already lost most of his executive power and each confrontation with the military seems to leave him in a weaker position.

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Guatemala-Belize: Situation Stalemated

The latest round of talks over Guatemala's claim to Belize, the self-governing British colony, ended in deadlock last month and no date has been set for their resumption. The issue will now lie dormant until September, when Belize will take it before the United Nations General Assembly.

Talks ended after only one day when the parties could not agree on proposals to cede Belizean territory to Guatemala. Guatemala stood firm on its demand to take all land south of 16° 30' latitude, an area equal to about one quarter of Belize, in exchange for acceptance of Belizean independence. Other proposals offered by the British ceding less Belizean territory were firmly rejected by Guatemala.

Despite the impasse, Belizean Premier George Price is said to want the negotiations to resume. Until last month, he appeared willing to surrender some territory, although not nearly as much as the Guatemalans want. Lately, however, the premier has been encountering stiff opposition at home to his efforts to obtain settlement and his chief negotiator returned from the talks and said that Belize would yield none of its territory. Conservatives, angry at being excluded from the negotiations, accuse Price of being soft on Guatemalan demands. Price's major problem in the coming months will be to overcome this opposition while continuing to work for some sort of settlement. His next move will be to lobby for international support and attempt to use the UN to exert pressure on Guatemala.

The Guatemalans are likely to counter Belizean attempts to gain international support with similar efforts of their own. They are said to be awaiting the World Court's hearing of the Morocco-Spanish Sahara dispute, which they regard as similar to the problem with Belize.

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A UN resolution calling on the parties to negotiate a settlement may provide impetus for greater flexibility, but Guatemala's nationalistic and historical claims to Belize and the growing opposition there to any settlement that would give up territory are likely to lead to a continued impasse.

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Panama: Paredes To The Cabinet

Last month, Agriculture Minister Gerardo Gonzalez was chosen by General Torrijos to be the new vice president, and was dutifully elected by the National Assembly. On August 9, Torrijos filled the vacancy in his cabinet by appointing Lt. Col. Ruben Paredes, the only military officer in that body.

In part, Paredes probably owes his appointment to his demonstrated competence both in military and administrative matters. Although the government has announced that Paredes will concurrently maintain his post as Assistant Chief of Staff for Personnel (G-1), the cabinet job will obviously leave him with less time for Guard affairs. Torrijos may view Paredes, who is one of the most popular top officers, as a potential rival, and may have taken this opportunity to weaken his ties to the Guard. Paredes has been G-1 since November 1972, when he was transferred from the important post of Chief of Staff for Operations (G-3). That move appeared to be a demotion, but he has continued to perform capably and has evidenced no resentment.

Paredes has spent much of his time recently working on the planning and construction of the Bayano hydro-electric project, the Torrijos administration's public works showpiece, and this will probably continue to receive his prime attention as minister.

The new cabinet job may reduce two handicaps that Paredes has faced during his career with the Guard: Torrijos' wariness about officers who attain personal popularity, and the rivalry with the ambitious and astute G-2, Lt. Col. Manuel Noriega. The two officers are probably the most capable in the Guard, and have frequently locked horns. Thus far, however, they have shared a strong loyalty to Torrijos, and this probably

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has kept them from permitting their differences to interfere with their work. The two played important roles in the October 1968 coup that brought Torrijos to power, and have worked to keep him there. Paredes was with Torrijos in Mexico in December 1969 when dissident Guard elements attempted a counter coup, while Noriega organized loyal forces that made possible Torrijos' triumphal return to Panama City.

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El Salvador: A Warning to the Opposition

President Molina's decision to take the political offensive in the wake of the bloody clash between students and security forces on July 30 has at least temporarily cowed the opposition. In the week following the clash, students temporarily occupied the capital's cathedral, an extremist group took over a radio station to broadcast a revolutionary message, and a bank guard was killed near the university. None of the incidents sparked further unrest; significantly, no political organization called for protests against the government.

Molina has publicly blamed the initial clash on a conspiracy directed by communist and opposition groups. Although he implicated organizations of almost every stripe, he singled out the major opposition Christian Democratic party for special attention and issued a not-so-veiled threat that the parties could be outlawed. He also warned students that even greater force might be used in the future to maintain order.

The opposition surely recognizes--with legislative and presidential elections scheduled for 1976 and 1977 respectively--that the President's words are not to be taken lightly. Fraud is generally credited with providing the government's edge in recent elections and Molina is probably uneasy about next year's prospects. Additionally, a hard line against students and leftist opposition is sure to win favor with the military.

In recent years, the military-backed governments have resorted to electoral fraud to prevent any possibility that a Christian Democrat might win. This has helped to move the Christian Democrats into coalitions with the leftist and communist parties. As evidenced by his most recent performance, President Molina intends to continue the hard line and perhaps press it further than his predecessors if the opposition mounts an effective challenge.

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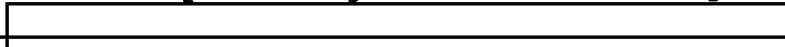
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Spiny Lobsters: Prickly US-Bahamas Issue

US-Bahamian talks on the spiny lobster issue, scheduled to begin this week in Nassau, appear headed for trouble. Having declared the profitable lobster a national resource of the Bahamas continental shelf and therefore off-limits to foreign fishermen, the government scheduled talks with the US to see if there is room for a reciprocal agreement on sharing the lobster take.



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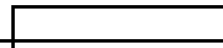


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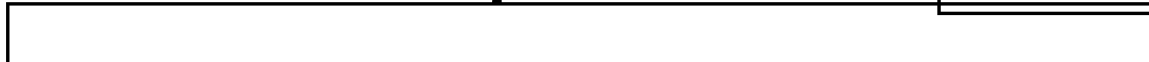
the Bahamas Government has already created some friction by rejecting a proposed agenda for the talks and by demanding a "formal representation from the United States Government before the commencement of discussions."

Pending resolution of the issue, a sensitive one among the island fishermen, the Bahamian Government wants to restrict foreign lobster trapping only to US citizens actually working the traps. This would exclude many fishing boats having US captains or US ownership but crewed by Cuban exiles. Many Cuban emigres operate their own boats from Florida, and carry guns to assert their interests.

The lobster quarrel will be solved in time without permanently damaging Bahamian-US relations, but Bahamian efforts to prosecute Cuban exile fishermen before the problem can be solved definitively could lead to armed clashes between Florida-based Cuban fishermen and Bahamian police and fishermen.



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Costa Rica: Communist Secretary General May Resign

Manuel Mora Valverde, the grand old man of Costa Rican communism, may soon resign as secretary general of the Popular Vanguard Party, the country's communist party. According to a party member, the resignation will probably come before the party congress scheduled for March 1976. Mora's age (he is almost 66) and his poor health will probably be cited as the reasons.

The Popular Vanguard Party received only four percent of the vote in the general elections of February 1974 and since then many members have dropped out, and the party has gone deeply into debt. Mora, worried about the financial bind, reportedly mortgaged his home to prevent creditors from foreclosing on the party's printing house. He has no personal money worries, however. He lives in relative luxury and owns or has an interest in a variety of successful commercial enterprises, including a radio station.

Mora founded the Communist party of Costa Rica in about 1930 and has always been its leading figure. Under Mora's direction, the party has shunned violence in favor of achieving a peaceful transition to socialism. It has gained an air of respectability with Costa Rica's democratic framework. In May 1975, Mora achieved his long-sought goal of legality for his party.

To attain these goals Mora has had to walk a tight-rope--not antagonizing the government on the one hand and avoiding allegations of collaborating too closely with it on the other. When his friend Jose Figueres left the presidency in 1974, Mora's influence at the highest government levels diminished. His relationship with the current president, Daniel Oduber, can at best be termed fair.

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The party approximates a Mora family activity--his wife, son, brothers, and a cousin are all party militants. The consensus among central committee members is that party Subsecretary General Humberto Vargas will succeed Mora. Mora, however, may want to keep the party leadership within the family. His brother Eduardo, a former subsecretary general who is currently serving in the National Assembly, is a possibility, but one party member has said Mora wants his son, Manuel Mora Salas, to replace him. For the past two years, Mora has personally been training him for the post.

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